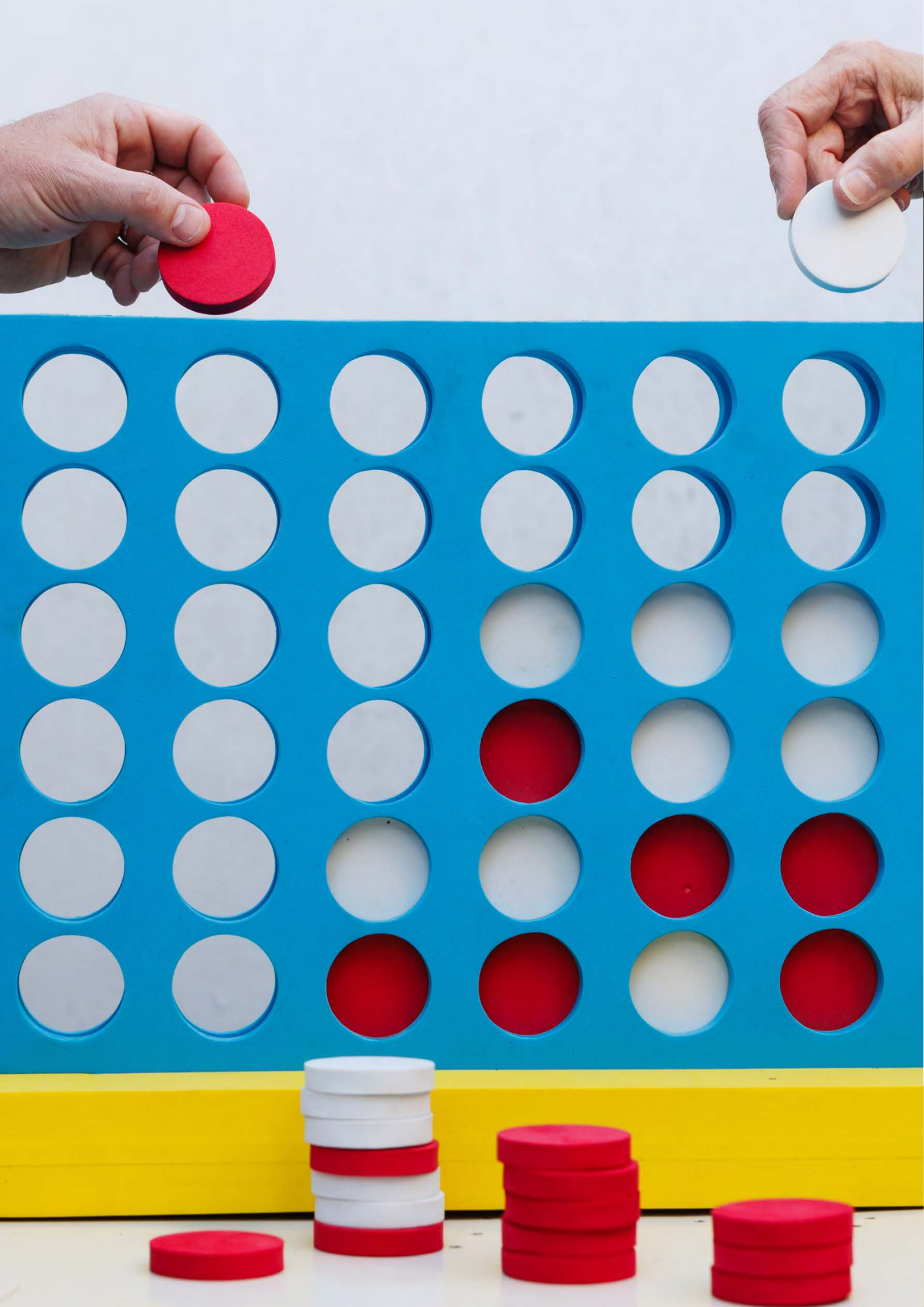




CONNECTING COMMUNITIES

ANNUAL REPORT 2023



Chair's Report

Much of the past year has been taken up by planning the transfer of engagements from BECHA to PCHA, which successfully took place on the 31 March 2023. This was an exciting opportunity to bring together two like-minded community housing associations in neighbouring boroughs, culminating in PCHA owning and managing 404 homes in Bexley and Bromley.

Whilst this was undoubtedly a difficult decision for the BECHA board, it was driven entirely by the desire to improve services and protect their residents in the future.

It was abundantly clear to both boards that this was a case of being stronger together and being better prepared to meet the inevitable challenges ahead.

I am delighted to say that the transfer went smoothly and the two organisations became one team and one service at the 31 March. Connecting Communities is a key theme for us and this is demonstrated in our new logo, which is a combination of both BECHA's and PCHA's previous logos.

Given the transfer happened in March, this report states the position as at the end of the financial year and reflects on the past year for the combined organisation as far as possible, thereby making comparison with 2021/22 somewhat difficult. However, we hope it gives a flavour of both the past year and the year ahead for the new PCHA.

I would like to thank the staff team and my board colleagues for their tremendous support during the year.

**Cathy McCarthy,
PCHA Chair**



Chief Executive's Report

Planning the coming together of BECHA and PCHA has definitely been the main focus of the past year and the eventual decision to do so by both boards was one born out of both the heart and mind. From a business perspective the transfer of engagements was literally a 'no-brainer' creating additional resources to invest in our assets and services and this was a primary driver for both organisations. However, it was also a decision supported by the heart, wanting to do the right thing for our residents and maintain the incredible legacies of BECHA and PCHA. The fact that we were two like-minded community housing associations with similar values, history and ethos and a shared desire to put residents first made us obvious partners. In addition we had worked together for many years and so knew our respective strengths and weaknesses.

From an individual perspective, I have been fortunate enough to have been the chief executive of both organisations (BECHA 1997-2004 and PCHA since 2016) and it's an absolute privilege for me to be leading the new PCHA into the next phase of our journey. Since the transfer I've been lucky enough to meet some of the Bexley residents, some of whom are featured in this report and a couple of whom remembered me from 1997!

Bringing together two organisations, however logical, is never simple and so it was critical to embed the organisational culture as quickly as possible. The teams joined together almost seamlessly on the 31 March 2023 and are united by the shared knowledge that we are going in the right direction as one team. We often talk about organisational culture as being a bus, with us all on the PCHA bus wanting to reach the same destination.

The teams joined together on 31 March 2023 – one team, one service!

Each member of the board and staff has a vital part to play – some drive the bus and some fix the engine – but the destination for all is clear: to connect our communities and create homes, services and places we can all be proud of.

**Karen Cooper,
PCHA Chief Executive**



David Arnold moved into his BECHA flat in 1996 and lived happily in his flat with his wife Valerie for many years. Whilst David sadly lost Valerie, the lily that she planted lives on and is thriving in his garden. David also has a real music cave at the bottom of the garden with his record collection and memories of being in a rock band in the 1960s and 70s.



Connecting Our Homes

Connecting Our Homes

Our asset management strategy has three strands: to provide safer, greener and more homes. Whilst there are a couple of potential developments in the pipeline, our focus over the past year has very much been on health and safety and, in particular, ensuring we are aware of any homes with evidence of damp, mould and condensation. This has been the subject of both media and political attention and we are committed to understanding our homes and ensuring they are well heated and ventilated.

With the transfer of engagements, we have been focussing on understanding the Bexley stock and, to ensure we are targeting resources effectively, we commissioned a full stock condition survey immediately on transfer; the results are yet to be reported. However, we have visited all homes that have reported damp or mould and this remains a real focus for us; indeed we appointed a specialist surveyor to manage this area.

Our stock is made up of a lot of Victorian properties and conversions which present a real challenge in terms of asset management but they are often highly prized by residents, therefore creating some complex decisions ahead.

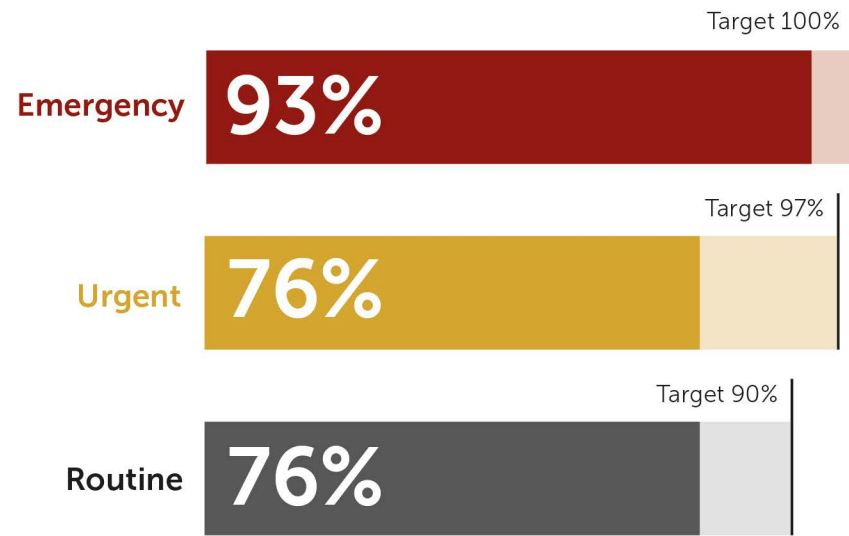
Our asset management strategy has three strands: to provide safer, greener and more homes.



Connecting Our Performance

Connecting Our Performance

Repairs completed on time



Repairs

Repairs performance was disappointing but this was due, at least in part, to a data inputting error which has now been rectified. We now have a full time Head of Property Services in place and he has been reviewing all our internal processes to improve performance.

Rent Arrears

Despite the challenges residents have faced with the cost of living crisis, arrears were consistently lower during the year and our year-end performance of 3.85% was lower than the previous year at 4.2%. Whilst the majority of cases remain below £500, at the end of the year we had 12 cases of residents owing more than £2k; we had two evictions during the year as a result of arrears.

VOIDS (empty homes)

Void performance has remained a challenge over the year, particularly at Stafford House. Stafford House is a scheme for people with mental health issues and the scheme is currently being supported by Ambient which has reduced the number of voids over the past six months. However, we have had a number of major voids where properties have been left in a very poor state and required major refurbishment, taking time and costing a great deal of money.

In addition, contractors have been struggling to turn around quotes and jobs quickly, often hampered by problems accessing materials. Nevertheless, our performance in turning voids around quickly enough needs improvement. The team have reviewed and improved our internal processes during the latter part of the year to minimise any delays in turnaround times.





Connecting Our Performance

Health and Safety Compliance

We were 100% compliant with all legislative and regulatory requirements at the year end, in respect of fire, gas, electrical, asbestos and lift safety. We had one gas certificate go out of compliance during the year due to resident access issues.

Complaints

We received five complaints in 2022/23 (compared to five in 2021/22), only two of which were formal complaints. These were all for the Penge area, with no complaints recorded for the Bexley area in 2022/23. Of these five complaints, three were closed at the informal stage, one was closed at Stage 1 (carried forward from 2021/22) and one at Stage 2.

All the complaints related to the repairs service with some resulting in compensatory payments being made to residents. We are compliant with The Housing Ombudsman's Code and publish our self-assessment annually.

ASB

Reports of ASB have remained fairly low during the year, with five outstanding on the 31 March, two cases in Penge and three that came across from Bexley. Out of these five cases, three are serious long-term cases that require ongoing intervention and monitoring.

Resident Support

During the year we entered into a contract with Pocket Power to provide advice and support to our residents to save money on their household and utility bills. Despite widely publicising this service, the take-up has been lower than expected, especially given the current cost of living crisis. We made 28 referrals to Pocket Power, saving residents an average of £381 per annum per resident.

Our hardship fund is there to support residents who are struggling financially and we paid four grants during the year, amounting to £1,848.

Protecting residents and their families is paramount and where we see a risk we aim to act quickly; as a result we made three safeguarding referrals during the year, in accordance with our policy.

Tenancy Fraud

We have a robust approach to tackling tenancy fraud to ensure our homes are used appropriately, assisting those in greatest need. During the year we have established links with specialist fraud agencies to help investigate any cases of suspected tenancy fraud. At the end the year we had four ongoing investigations.



Partnerships

During the year we entered into an arrangement with Ambient to support our residents at Stafford House and this has proven to be really successful.

Resident Engagement

A significant part of our resident engagement during the year was focused on consulting with the Bexley residents about the transfer of engagements, with no objections or significant concerns raised.

As part of the transfer we produced and hand-delivered a brand new Resident Handbook, outlining all our policies and services, along with local information.

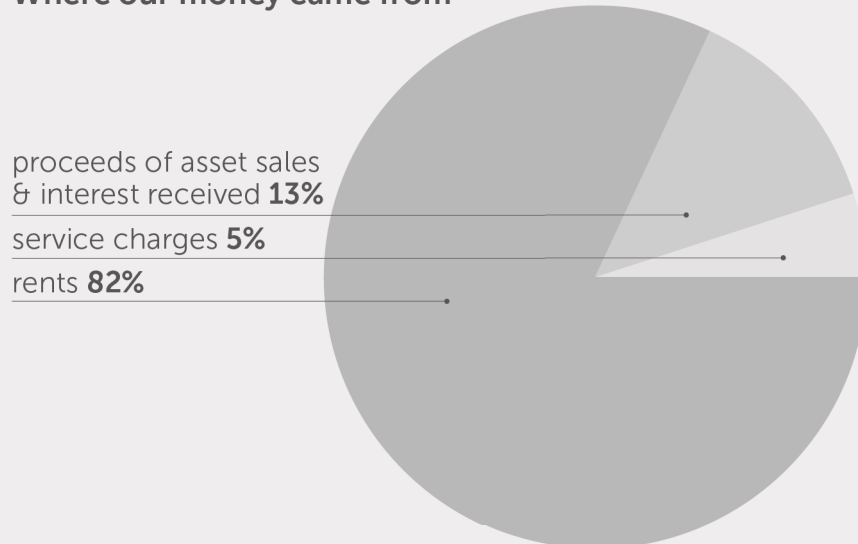
At the point of transfer, we immediately commissioned an independent full resident satisfaction survey to allow us to fully understand satisfaction levels across both Bromley and Bexley; this data will shape our plans and objectives going forward.

Connecting Our Finances

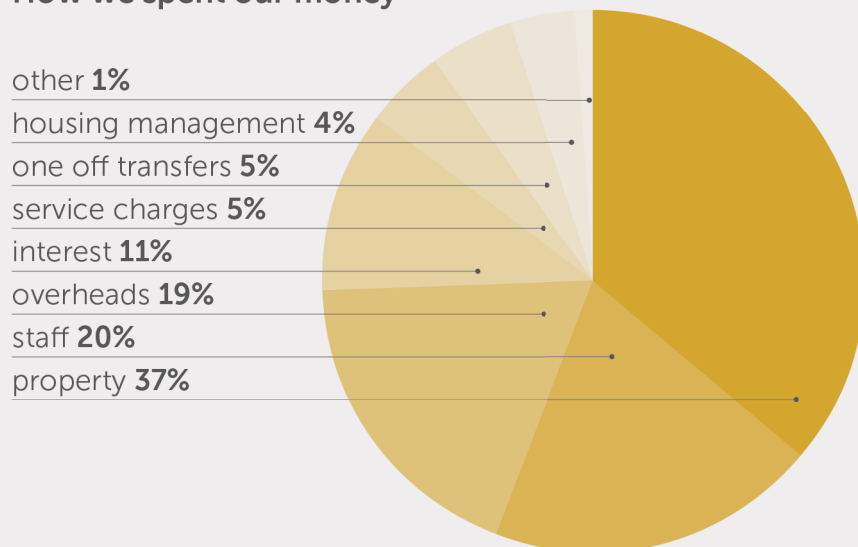
2022/23 saw PCHA undertake a successful transfer of engagements when BECHA joined with PCHA on 31 March 2023. This results in the combined business growing to 404 owned and managed homes compared to 270 in just PCHA alone. It will allow us to generate significant cost savings that will result in a stronger financial base for the delivery of future investment in our homes and services. We delivered a satisfactory financial performance, generating a surplus of £289k and invested £360k in property upgrades such as new kitchens, bathrooms and boilers, approximately double that invested by PCHA in the previous year.

In order to provide more for our residents in terms of service and new homes, PCHA strives to achieve value for money in all we do. We believe that the quality of the services is of prime importance, not just the cheapest available. This will lead to positive and responsive service delivery, which we believe is a key 'USP' of PCHA. Our aim is to make a difference every day and have a positive impact on the lives of our residents and the communities in which we work.

Where our money came from



How we spent our money



Value for money

	PCHA 2022-23	PCHA 2021-22	PCHA Target 2022-23	Peer group median 2022-23
1 Reinvestment	1.4%	0.5%	1.2%	4.7%
3 Gearing	16.5%	16.8%	24.3%	32.3%
4 EBITDA MRI interest cover	151%	226%	155%	194%
5 Headline social housing cost per unit	£5,833	£5,692	£5,570	£4,960
6b Operating margin (overall)	10.7%	15.9%	12.1%	17.4%
7 Return on capital employed	1.2%	2.4%	1.1%	2.4%

As with other housing associations, the Regulator for Social Housing requires certain key financial metric measures to be published each year, for comparability purposes. We compare our results with those of the previous financial year, our budget target and our peer group of small housing associations in London ('BM320 benchmarking club').

Our operating margin of 10.7% is lower than that seen in the previous year of 15.9% but this is on track with our target for the year and the year-on-year fall is primarily related to incurring one-off costs of £127k to make the transfer of engagements happen. If these one-off costs were excluded, the operating margin would have been on par with the previous year.

Our interest cover of 151% and gearing of 16.5% mean that we are comfortably within the performance-based covenants set down by our lenders, with PCHA like all housing associations borrowing to invest in and develop new homes. At 31 March 2023, the combined business had approximately £5.1m of bank loans with a further £6m loan facility not drawn upon.

Our headline social housing cost per unit of £5,833 is slightly above our target and our peer group. As noted above, this has been impacted by the one-off costs of bringing PCHA and BECHA together, but our long-term business plan reflects the ongoing savings that this will generate allowing for greater investment in new and better homes and services. We accept that we will never be the cheapest in terms of cost, but we believe our service delivery provides great value for money and does have a positive impact on residents and communities.

Connecting Our People




Team (as at September 2023)

Karen Cooper, Chief Executive
Sian Llewellyn, Director of Operations
Roger Maddams, Director of Finance
Cassandra Barns, Corporate Services Manager
Steve Fox, Head of Property Services
Natalie Ions, Maintenance & Estates Officer
Mary Loftus, Head of Customer Services
Jean Mahoney, Interim Tenancy Services Manager
Alex Woolcock, Tenancy Services Officer
Jackie Gregory, Income Officer
Esmine Hilton, Customer Services Officer
Georgina Donaldson, Customer Services Officer
Mick Mendham, Maintenance Operative/Handyman

Board (as at 31 March 2023)

Cathy McCarthy, Chair
Rowann Limond, Chair of Finance, Audit & Risk Committee
Karen Cooper, Company Secretary
Jonathan Bowen
Richard Ellis
Simon Oelman
Sarah Chatfield
Alan Begg
Andrew Green (co-opted)
Graham Littlewood (co-opted)

As of 31 March 2023 our board had ten active members, including our Chief Executive who is a non-shareholding executive member. Together members have a broad range of relevant skills and expertise. The skills and experience of the board are reviewed periodically to ensure that PCHA has the right mix to meet both current and future needs.



Mr Fernandez came to BECHA in 1997 after losing everything in the 1980s. He says "I was so grateful to be offered a home where I could bring up my children and whilst the children are now all successful adults living their own lives, this home means everything to me because it's where I raised my family."

Connecting Our Residents



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